

INFORMATION  
guide

**Electronic  
FUNDS**  
Transfer  
PROGRAM

**Fast  
Reliable  
Efficient  
Convenient**

**EDD** Employment  
Development  
Department  
State of California



## ***For Assistance . . .***

If you have questions regarding the Electronic Funds Transfer (EFT) program, you may access EDD's Internet Web site at [www.edd.ca.gov](http://www.edd.ca.gov), or call the EFT Unit between the hours of 8:00 a.m. and 5:00 p.m., Pacific Time, Monday through Friday, at:

**(916) 654-9130**

**FAX (916) 654-7441**

Or write to the following address:

Attn: EFT Unit, MIC 15  
EMPLOYMENT DEVELOPMENT DEPARTMENT  
P.O. Box 826880  
Sacramento, CA 94280-0001

**Please direct all general tax filing questions to the local  
Employment Tax Customer Service Office listed in your telephone directory  
or toll-free (888) 745-3886**

EDD, an equal opportunity employer/program, is a partner in this publication. Special requests for alternate formats need to be made by calling the above information number.

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### **DEFINITION AND BENEFITS OF ELECTRONIC FUNDS TRANSFER (EFT)**

Electronic Funds Transfer (EFT) is a method of instructing financial institutions to transfer money from one account to another electronically, eliminating the use of paper checks. Payments are initiated through the employer's bank or by telephone, personal computer (PC) with a modem, or by the Internet—depending on the EFT payment option selected.

Eliminate manual paper processing and associated errors by making EFT payments. EFT filers are not required to file a Payroll Tax Deposit (DE 88) coupon or check when reporting the following funds:

- State disability insurance (SDI)<sup>1</sup> and personal income tax (PIT) deposits.
- Unemployment insurance (UI) and employment training tax (ETT) payments.
- Self-assessed penalty and interest (P&I) payments.

Costs are reduced, including those associated with check processing, reconciliation, and postage. As a result, EFT tax payments post faster to our system, which readily provides information for payment inquiries.

### **BACKGROUND**

Electronic funds transfers have been used for many years by the federal government and private business. Examples are direct deposits of Social Security payments and employees' wages to a prescribed bank account.

With the passage of Senate Bill (SB 467 (Chapter 473, Stats. 1991), effective January 1, 1993, California began to administer EFT for state tax payments. Under specific criteria, SB 467 required EDD and other state taxing agencies to begin an EFT program for taxpayers. Since then, subsequent legislation authorized expansion of the EFT program to additional state agencies.

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<sup>1</sup> Effective January 1, 2004, SDI includes any amount for Paid Family Leave.

## II. PROGRAM PARTICIPATION

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### REQUIREMENTS FOR MANDATORY PARTICIPATION

Employers are required to remit taxes by EFT if SDI and PIT deposits **averaged** \$20,000 or more during the prior state fiscal year (July 1 to June 30).

Employers who meet this requirement must remit all SDI and PIT deposits by EFT for the complete calendar year that follows, **regardless of the dollar amount**. Failure to comply results in a 10 percent non-compliance penalty (plus interest) on SDI and PIT deposits remitted by any payment method other than EFT.

### NOTIFICATION OF MANDATORY PARTICIPATION

EDD reviews employer accounts annually to determine those that average \$20,000 or more in SDI and PIT deposits for the fiscal year.

Employers meeting the requirements for the first time are notified by letter in October, prior to the calendar year that mandatory participation must begin. If you are notified but do not think you meet the requirement, contact EDD's EFT Unit at (916) 654-9130 prior to the due date of your first EFT payment.

**NOTE:** Employers who met the mandatory requirements in a preceding fiscal year, and received notice from EDD, will not be sent future notification letters.

**An employer identified as a mandatory EFT filer who is represented by a reporting agent, payroll service, or accounting firm, is responsible for informing them of the requirement to remit SDI and PIT deposits by EFT.**

### VOLUNTARY PARTICIPATION

Employers not identified as mandatory participants who want to voluntarily remit DE 88 deposits by EFT may complete an EFT Authorization Agreement (DE 26). Upon approval, the EFT Unit mails the participant a letter confirming the payment method selected and provides the effective date of participation. Voluntary participants may submit a DE 88 coupon and check without being subject to non-compliance penalty.

If you are a voluntary participant and your filing status changes to mandatory, you will be notified by letter in October. It will not be necessary to register again unless you change your bank or method of reporting.

### WITHDRAWAL FROM EFT

Voluntary participants who want to withdraw completely from the EFT program must provide a written request to EDD's EFT Unit (see address and fax number inside the front cover of this guide). They will receive a written confirmation once the withdrawal from the program is completed.

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### III. PAYMENT REPORTING METHODS

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#### TYPES OF PAYMENT METHODS

There are two reporting methods for making EFT payments:

- Automated Clearing House (ACH) debit method.
- Automated Clearing House (ACH) credit method.

After deciding on a payment reporting method, complete and submit an EFT Authorization Agreement (DE 26). See *Section IV, EFT Registration*, for complete information.

#### ACH DEBIT METHOD:

#### DEFINITION

The ACH Debit method transfers funds to EDD by authorizing the state to electronically debit the employer's bank account for the amount(s) reported to the state's data collector, govONE Solutions. There are three debit method options for initiating a payment:

- Telephone reporting option – Contact EDD's data collector by toll-free number. After accessing the automated phone system with a security code and the EDD account number, follow the prompts to report tax payment information, **or**
- PC reporting option (modem to modem) – Using a PC with a modem, provide payment information using the data collector's easy-to-use software, which can be obtained at 1-800-662-6311. Payment information is exported via modem to the data collector for payment initiation, **or**
- Internet reporting option – The data collector provides a secure Web site for initiating payments. The Web site address is [www.payments-govonesolutions.com/caedd](http://www.payments-govonesolutions.com/caedd). Follow onscreen prompts to enter payment information. The Web site also provides payment history for all ACH Debit method users.

Complete instructions for using any of the three options are in *Section VI, ACH Debit Instructions*.

#### COST

EDD does not charge any fees to employers for using the ACH Debit method.

#### SECURITY CODE

All three options of the ACH Debit method require a security code to report a payment to the data collector. After the DE 26 is submitted selecting the EFT Debit method, EDD provides registered users with a temporary four-digit security code in a confirmation letter (see *Section IV, EFT Registration*.) **All Debit method users must change the generic code to a four-digit security code of their choice, by telephone, before payments can be reported.**

### III. PAYMENT REPORTING METHODS (CONTINUED)

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#### **ACH DEBIT METHOD (Continued)**

##### **SECURITY CODE (Continued)**

- Access the data collector's phone system at **(800) 554-7500**.
- Follow script directions to establish your own four-digit security code.
- Enter the temporary security code, then your own security code, as prompted.
- Telephone option payers may continue with the phone call to make a payment, or make a payment at a later time.
- PC (modem to modem) and Internet option payers must hang up and initiate a payment through their chosen payment option.
- The new security code may be changed at any time--call the data collector's access number and follow the prompts.
- If the security code is lost or forgotten, contact the EFT Unit at **(916) 654-9130** for assistance.

##### **HOW TO REPORT A DEBIT PAYMENT**

Contact the state's data collector, govONE Solutions, as follows:

- Telephone reporting option – call **(800) 554-7500**.
- PC reporting option – Use the data collector's software to enter and export payment information.
- Internet reporting option – Access [www.payments-govonesolutions.com/caedd](http://www.payments-govonesolutions.com/caedd) and follow prompts to enter payment information.

When the transaction is complete, the data collector provides the payer a reference number and initiates the ACH transaction.

See *Section VI, ACH Debit Instructions* for detailed instructions for each of the three Debit method payment options.

##### **WHEN TO REPORT A DEBIT PAYMENT**

Report payments to the data collector as follows:

- Telephone and PC (modem to modem) reporting options are available 24 hours a day, 7 days a week.
- The Internet reporting option is available 22 hours a day, 7 days a week. (There is a two-hour nightly maintenance period.) If you cannot access the Web site, try again later.

**NOTE: Payments completed before 3:00 p.m., Pacific Time can settle as early as the following business day. Payments completed after 3:00 p.m., Pacific Time, cannot settle before the second business day following your call. Refer to "Due Dates" in *Section V, General Information* for timely deposit dates.**



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### III. PAYMENT REPORTING METHODS (CONTINUED)

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#### ACH DEBIT METHOD (Continued)

##### **CANCELLATIONS AND INQUIRIES**

Cancel or inquire about a reported transaction by calling the data collector before 3:00 p.m., Pacific Time, the day before the transaction settles. You are provided a reference number as proof of cancellation.

##### **WAREHOUSING PAYMENTS**

Payment information may be reported to the data collector up to 60 days before the payment settlement date. The warehousing option prompts you for the bank date on which you want your bank account debited. This is also the date your payment **settles** into the state's account.

**NOTE:** A bank account number change reported to EDD after a payment has been warehoused affects which bank account is debited when the warehoused payment settles. The bank account number that is registered on the settlement date is the account that is charged.

##### **CHANGING BANK ACCOUNT INFORMATION**

EDD's EFT system can only register one bank account number per employer account number. EDD cannot guarantee a specific date that your bank account change will be processed; therefore, it is important to work closely with the EFT Unit during this change by following the instructions below:

- Obtain a new Electronic Funds Transfer Authorization Agreement (DE 26).
  - ❑ Complete Sections I and II.
  - ❑ Indicate when the last payment will settle out of the old bank account, and the due date of the next payment.
  - ❑ Sign and date Section IV (see sample on page III-4.)
- **Fax** the completed DE 26 and a copy of a voided check or bank specification sheet with the new bank account information to the EFT Unit at (916) 654-7441.
- Keep both old and new bank accounts open until you receive a letter from the EFT Unit with confirmation that the change was made and the date that EFT reporting can resume.
  - ❑ Voluntary EFT filers who are unable to keep the old bank account open during the bank change process may mail a DE 88 coupon and check to remit payments until a confirmation letter is received from the EFT Unit.
  - ❑ **Mandatory EFT filers who are unable to keep the old bank account open during the bank change process must contact the EFT Unit at (916) 654-9130 for an alternate payment process in order to avoid a 10% non-compliance penalty.** See in *Section V, General Information, Emergency Payment Procedures, Mandatory Filers Only.*

### III. PAYMENT REPORTING METHODS (CONTINUED)

#### SAMPLE ACH DEBIT BANK CHANGE



#### ELECTRONIC FUNDS TRANSFER AUTHORIZATION AGREEMENT

See reverse for instruction

Department Use Only

Location

Registration Date

#### SECTION I

<b>A. Business Name</b> ABC – XYZ HOME STORE	<b>B. Employer Account Number</b> 123-4567-8
<b>C. Business address (Number, Street, Box Number, City, State, Zip code)</b> 2468 CAREFREE RD, ANYTOWN CA 90001	<b>D. Business Phone</b> (999) 345-6789
<b>E. EFT Contact Person</b> SAM PERSON	<b>Title</b> OWNER
<b>E-Mail Address</b> SPERSON@A-Z.COM	<b>Phone Number</b> (999) 345-6789
	<b>Fax Number</b> (999) 345-9101

#### SECTION II

☒ **ACH Debit**

**IMPORTANT: Attach a voided check or bank specification sheet**

<b>A. Bank Name</b> FIRST NATIONAL BANK	
<b>B. Bank Account Number</b> 234 567 89101	<b>C. Routing Transit Number</b> 456789123
<b>D.</b> <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>E. For bank account changes only, complete the following and Fax to (916) 654-7441:</b> <input type="checkbox"/> Settlement date of your last payment <u>10/30/03</u> <input type="checkbox"/> Due Date of your next Payment <u>11/6/03</u> <input type="checkbox"/> Will your old and new bank accounts be open with funds until completion of this bank change? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

#### SECTION III

☐ **ACH Credit**

**You are authorizing your financial institution to transfer funds from your bank account to the Employment Development Department's bank account.**

#### SECTION IV Authorization

Please read the following Authorization Agreement:

**ACH Debit** – I hereby authorize designated Financial Agents of the EDD to initiate debit entries to the financial institution account indicated above, for payments owed to the EDD upon request by taxpayer or his/her representative, using the ACH debit method.

**ACH Credit** – I hereby authorize the EFT contact person and the financial institutions involved in the processing of my Electronic Funds Transfer payments to receive confidential information necessary to effect my enrollment in the EFT program and to answer inquiries related to my payments.

<b>A. Taxpayer Signature</b> <i>Sam Person</i>	<b>B. Title</b> Owner	<b>C. Date</b> 11/3/03
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Return to Attention: EFT Unit, MIC 15 / Employment Development Department / P.O. Box 826880 / Sacramento CA 94280-0001  
Phone: (916) 654-9130 / Fax: (916) 654-7441

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### III. PAYMENT REPORTING METHODS (CONTINUED)

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#### ACH CREDIT METHOD

<b>DEFINITION</b>	The ACH Credit method allows you to transfer funds by instructing your financial institution to debit your bank account and transfer those funds to the state's bank account.
<b>COST</b>	The employer pays all costs charged by their financial institution for initiating ACH credit transactions.
<b>RECORD FORMAT REQUIREMENTS</b>	To report a tax payment correctly, it must be initiated with the Cash Concentration or Disbursement Plus Tax Payment Addenda (CCD+/TXP) format. This standard format was adopted for tax payments by the National Automated Clearing House Association (NACHA). The free-form portion of the TXP Addenda Record must be precisely structured as shown in the TXP Addenda Convention layout provided in <i>Section VII, ACH Credit Instructions</i> .
<b>HOW TO REPORT A CREDIT PAYMENT</b>	<p>Since your financial institution initiates your payment, contact them for specific procedures to report a tax payment. Provide them the ACH CCD+/TXP record formats and EDD's bank account information that EFT Unit provides you after EFT registration.</p> <p><b>NOTE:</b> If payments are made to more than one California state tax department, <b>note that each has its own bank account number</b> and requests different tax information for the "free-form area" of the TXP Addenda Record.</p> <p>See <i>Section VII, ACH Credit Instructions</i> for detailed information.</p>
<b>WHEN TO REPORT A CREDIT PAYMENT</b>	<b>ACH Credit filers may need one additional processing day for their payments to settle timely.</b> Check with your financial institution for information regarding their cutoff times for initiating payments. Refer to <i>Section V, General Instructions, Due Dates and California Deposit Requirements/Schedule</i> , for timely deposit dates.
<b>CANCELLATIONS, CORRECTIONS, BANK CHANGES, AND INQUIRIES</b>	To cancel, correct or inquire about an ACH credit transaction, or to change bank account information, contact your financial institution.

### HOW TO REGISTER

To begin remitting tax deposits by EFT:

- Obtain an EFT Authorization Agreement (DE 26) from one of the following:
  - ❑ Use the blank form in *Section IX, DE 26 and Instructions*, of this guide.
  - ❑ Print a form from EDD's Web site at [www.edd.ca.gov](http://www.edd.ca.gov). Select Forms and Publications.
  - ❑ Call the Employment Tax Customer Service Office listed in your local telephone directory or call toll-free (888) 745-3886.
  - ❑ Call EFT Unit at (916) 654-9130.
- Complete all appropriate sections of the DE 26 and sign the form.
  - ❑ Sections I and IV are to be completed by all filers.
  - ❑ Section II is to be completed by ACH Debit method filers (see sample on page IV-2).  
**NOTE: Debit filers must attach a voided check for the bank account they want debited or a bank specification sheet with bank routing information.**
  - ❑ Section III to be completed by ACH Credit method filers (see sample on page IV-3).
- Mail or fax completed form to EFT Unit (with voided check or bank specification sheet, if applicable):

EFT Unit, MIC 15  
Employment Development Department  
PO Box 826880  
Sacramento, CA 94280-0001

FAX: (916) 654-7441

After the EFT Unit processes the DE 26, EFT mails a letter confirming the payment method selected and the date that you may begin paying by EFT.

### CHANGING PAYMENT REPORTING METHOD

To change your payment reporting method, complete and sign a new DE 26. *For example, you want to change from ACH Credit to ACH Debit.*

Mail or fax the DE 26 to the EFT Unit. You will receive a confirmation letter after the requested change is made.

**NOTE:** If changing from ACH Credit to ACH Debit, be sure to include a copy of a voided check or bank specification sheet.



## IV. EFT REGISTRATION (CONTINUED)

### SAMPLE ACH DEBIT REGISTRATION



#### ELECTRONIC FUNDS TRANSFER AUTHORIZATION AGREEMENT

See reverse for instruction

Department Use Only

Location

Registration Date

#### SECTION I

<b>A. Business Name</b> ABC – XYZ HOME STORE	<b>B. Employer Account Number</b> 123-4567-8
<b>C. Business address (Number, Street, Box Number, City, State, Zip code)</b> 2468 CAREFREE RD, ANYTOWN CA 90001	<b>D. Business Phone</b> (999) 345-6789
<b>E. EFT Contact Person</b> SAM PERSON	<b>Title</b> OWNER
<b>E-Mail Address</b> SPERSON@A-Z.COM	<b>Phone Number</b> (999) 345-6789
	<b>Fax Number</b> (999) 345-9101

#### SECTION II

☒ **ACH Debit**

**IMPORTANT: Attach a voided check or bank specification sheet**

<b>A. Bank Name</b> FIRST NATIONAL BANK	
<b>B. Bank Account Number</b> 234 567 89101	<b>C. Routing Transit Number</b> 456789123
<b>D.</b> <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>E. For bank account changes only, complete the following and Fax to (916) 654-7441:</b> <input type="checkbox"/> Settlement date of your last payment _____ <input type="checkbox"/> Due Date of your next Payment _____ <input type="checkbox"/> Will your old and new bank accounts be open with funds until completion of this bank change? Yes _____ No _____	

#### SECTION III

☐ **ACH Credit**

**You are authorizing your financial institution to transfer funds from your bank account to the Employment Development Department's bank account.**

#### SECTION IV Authorization

Please read the following Authorization Agreement:

**ACH Debit** – I hereby authorize designated Financial Agents of the EDD to initiate debit entries to the financial institution account indicated above, for payments owed to the EDD upon request by taxpayer or his/her representative, using the ACH debit method.

**ACH Credit** – I hereby authorize the EFT contact person and the financial institutions involved in the processing of my Electronic Funds Transfer payments to receive confidential information necessary to effect my enrollment in the EFT program and to answer inquiries related to my payments.

<b>A. Taxpayer Signature</b> <i>Sam Person</i>	<b>B. Title</b> Owner	<b>C. Date</b> 10/1/03
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Return to Attention: EFT Unit, MIC 15 / Employment Development Department / P.O. Box 826880 / Sacramento CA 94280-0001  
Phone: (916) 654-9130 / Fax: (916) 654-7441

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## IV. EFT REGISTRATION (CONTINUED)

### SAMPLE ACH CREDIT REGISTRATION



#### ELECTRONIC FUNDS TRANSFER AUTHORIZATION AGREEMENT

See reverse for instruction

Department Use Only

Location

Registration Date

#### SECTION I

<b>A. Business Name</b> ABC – XYZ HOME STORE	<b>B. Employer Account Number</b> 123-4567-8
<b>C. Business address (Number, Street, Box Number, City, State, Zip code)</b> 2468 CAREFREE RD, ANYTOWN CA 90001	<b>D. Business Phone</b> (999) 345-6789
<b>E. EFT Contact Person</b> SAM PERSON	<b>Title</b> OWNER
<b>E-Mail Address</b> SPERSON@A-Z.COM	<b>Phone Number</b> (999) 345-6789
	<b>Fax Number</b> (999) 345-9101

#### SECTION II

☐ ACH Debit

**IMPORTANT: Attach a voided check or bank specification sheet**

<b>A. Bank Name</b>	
<b>B. Bank Account Number</b>	<b>C. Routing Transit Number</b>
<b>D.</b> <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>E. For bank account changes only, complete the following and Fax to (916) 654-7441:</b> <input type="checkbox"/> Settlement date of your last payment _____ <input type="checkbox"/> Due Date of your next Payment _____ <input type="checkbox"/> Will your old and new bank accounts be open with funds until completion of this bank change? Yes _____ No _____	

#### SECTION III

☒ ACH Credit

**You are authorizing your financial institution to transfer funds from your bank account to the Employment Development Department's bank account.**

#### SECTION IV Authorization

Please read the following Authorization Agreement:		
<b>ACH Debit</b> – I hereby authorize designated Financial Agents of the EDD to initiate debit entries to the financial institution account indicated above, for payments owed to the EDD upon request by taxpayer or his/her representative, using the ACH debit method.		
<b>ACH Credit</b> – I hereby authorize the EFT contact person and the financial institutions involved in the processing of my Electronic Funds Transfer payments to receive confidential information necessary to effect my enrollment in the EFT program and to answer inquiries related to my payments.		
<b>A. Taxpayer Signature</b> <i>Sam Person</i>	<b>B. Title</b> Owner	<b>C. Date</b> 10/1/03

Return to Attention: EFT Unit, MIC 15 / Employment Development Department / P.O. Box 826880 / Sacramento CA 94280-0001  
Phone: (916) 654-9130 / Fax: (916) 654-7441

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### DUE DATES

Tax payment due dates are determined by the next banking day, semi-weekly, monthly, or quarterly reporting criteria listed below. Also refer to the *California Deposit Requirement/Schedule* in this section.

#### **Next Banking Day Deposits**

Next banking day deposits are required if at anytime you accumulate \$100,000 or more in federal employment taxes and more that \$500 in California PIT.

Next banking day deposits are considered timely if funds settle into the state's account on or before the third banking day following your payroll date.

**NOTE:** A monthly filer who meets the next banking day requirements automatically becomes a semi-weekly depositor for the remainder of the calendar year and the following calendar year.

#### **Semi-Weekly Deposits**

If you remit federal deposits on a semi-weekly basis and your California PIT withheld is \$500 or more, your due date is either Wednesday or Friday based on the payroll date, that is:

If payday is on:

Your due date is the:

Wednesday, Thursday, or Friday	Following Wednesday
Saturday, Sunday, Monday, or Tuesday	Following Friday

If a deposit due date or last timely settlement date falls on a Saturday, Sunday, or legal holiday, the last timely settlement date is extended to the next business day.

#### **Monthly Deposits**

If you remit federal deposits on a monthly basis and your accumulated California PIT withholding is \$500 or more, remit SDI and PIT to EDD on or before the 15<sup>th</sup> day of the next month.

## V. GENERAL INFORMATION (CONTINUED)

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### DUE DATES (Continued)

#### Quarterly DI/PIT Deposits

Quarterly SDI/PIT tax filers are employers who withhold less than \$350 in California PIT for the calendar quarter.

NOTE: Quarterly filers who accumulate \$350 or more in California PIT, in one or more months of a quarter, revert to the monthly schedule and are required to remit their deposit on or before the 15<sup>th</sup> of the following month.

Quarterly SDI/PIT deposits should only be made once at the end of a quarter for any remaining SDI/PIT for the **current** quarter.

#### Quarterly UI/ETT Payments

Quarterly UI/ETT payments are remitted once at the end of the quarter or as prepayments throughout the quarter. UI/ETT payments are considered timely if the funds settle into the state's account on or before the last timely settlement date for the quarter.

### EMERGENCY PAYMENT PROCEDURES, MANDATORY FILERS ONLY

Mandatory EFT filers unable to make a timely payment by any EFT method may be authorized by the EFT Unit to make payment by **Fedwire**. Contact the EFT Unit at (916) 654-9130 before initiating a Fedwire. The EFT Unit will fax you a Wire Transfer Payment Request to initiate a Fedwire through your financial institution. You are responsible for initiation and receiving fees. For Fedwire errors, contact your financial institution on the day of Fedwire initiation.

### PROOF OF PAYMENT

Proof of payment is the bank statement from your financial institution showing the actual transfer of funds from your bank account into the state's bank account. The reference number does **not** constitute proof of payment; it only assists in locating data transmission.

### NON- COMPLIANCE PENALTY

If a mandatory EFT filer remits an SDI/PIT deposit by check and DE 88 coupon, a penalty of 10 percent of the tax deposit amount plus applicable interest is charged, even if the payment is timely.

### LATE PENALTY

If an EFT transaction does not settle timely, a penalty of 10 percent of the tax payment amount plus applicable interest is charged.

### PENALTY AND INTEREST PAYMENTS

If you failed to remit your payment on time and have not received an Employer Account Statement (DE 2176), you may self-assess penalty and interest and pay by EFT.

**If you receive a DE 2176 for penalty and interest due, remit payment by check with the return portion of the DE 2176.**



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## V. GENERAL INFORMATION (CONTINUED)

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### **PENALTY AND INTEREST PAYMENTS (Continued)**

**NOTE:** If you report a late tax payment and want to pay **self-assessed** penalty and interest at the same time, you must **initiate two separate transactions**. The payroll date/quarter-end date on the penalty and interest payment must reflect the **original** payroll date/quarter-end date for the late payment, **not** the current payroll date/quarter-end date.

For example: *The late payment is for a monthly deposit for payroll date February 15, 2003 (quarter ending March 31, 2003), but is paid during quarter ending June 30, 2003. The correct date to use is the payroll date of February 15, 2003.*

For assistance in computing penalty and interest, contact the Employment Tax Customer Service Office listed in the government pages of your local telephone directory or call 1-888-745-3886.

### **REFUNDS**

To claim a refund for an EFT payment, contact the EFT Unit at (916) 654-9130.

## V. GENERAL INFORMATION (CONTINUED)

### CALIFORNIA DEPOSIT REQUIREMENTS

The timeliness for an EFT payment is determined by the settlement date (date the payment settles into the state's bank account) of the payment, which must normally be the next business day following the due date. Refer to the deposit schedule below for timely settlement dates.

If a deposit due date or last timely settlement date falls on a Saturday, Sunday, or legal holiday, the last timely settlement date is extended to the next business day.

#### CALIFORNIA DEPOSIT REQUIREMENTS SCHEDULE

IF YOUR FEDERAL DEPOSIT SCHEDULE IS	AND YOU HAVE ACCUMULATED STATE PIT WITHHOLDING	SDI <sup>1</sup> AND PIT DEPOSIT REQUIRED	IF PAYDAY IS	DUE DATE	LAST TIMELY SETTLEMENT DATE
Next Banking Day	\$500 or less	No	N/A	N/A	N/A
Next Banking Day	More than \$500	Yes	N/A	Next Banking Day	Third banking day following the payroll date
Semi-weekly	\$500 or less	No	N/A	N/A	N/A
Semi-weekly	More than \$500	Yes	Wed., Thur., or Fri.	Following Wed.	Following Thur.
Semi-weekly	More than \$500	Yes	Sat., Sun., Mon., or Tue.	Following Fri.	Following Mon.
Monthly	\$500 or less	No	N/A	N/A	N/A
Monthly	More than \$500	Yes	N/A	15 <sup>th</sup> of the following month	16 <sup>th</sup> of the following month
Quarterly	Less than \$350	No	N/A	Last day of the month following the end of the quarter	First day of the second month following the end of the quarter
Quarterly	\$350 or more	Yes	N/A	15 <sup>th</sup> of the following month	16 <sup>th</sup> of the following month

<sup>1</sup> Effective January 1, 2004, SDI includes any amount for Paid Family Leave.

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## V. GENERAL INFORMATION (CONTINUED)

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### HOLIDAYS

EDD follows the holiday schedule listed below. If a holiday falls on Saturday, the Friday preceding is considered a bank holiday. If a holiday falls on Sunday, the following Monday is considered a bank holiday.

New Year's Day	January 1
Martin Luther King, Jr. Day	Third Monday in January
Lincoln's Birthday	February 12
Presidents' Day	Third Monday in February
Cesar Chavez Day	March 31
Good Friday	Friday Preceding Easter Sunday
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
California Admission Day	September 9
Columbus Day	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Day	December 25

## VI. ACH DEBIT INSTRUCTIONS

This section provides detailed instructions for reporting EFT tax payments for each of the three ACH Debit payment options—by telephone, via modem on your PC, or through the Internet. You may also refer to the “EFT Quick Reference Telephone Script” mailed to you in your EFT information/registration package.

### BEFORE YOU CALL

Prepare applicable information before initiating **any** ACH debit transaction through EDD’s data collector, govONE Solutions:

<b>Employer Account Number</b>	Your eight-digit EDD account number.
<b>Security Code</b>	<p>Your <u>permanent</u> security code is needed to access the data collector’s system to make a payment. <i>Section III, Payment Reporting Methods, Security Code</i>, provides complete instructions for changing the temporary security code to your permanent security code.</p> <p>If your security code is lost or forgotten, contact the EFT Unit at (916) 654-9130 for assistance.</p>
<b>Tax Type Code</b>	<p><b>SDI/PIT Deposits:</b></p> <ul style="list-style-type: none"><li>▪ 01100 – Semi-weekly deposit</li><li>▪ 01101 – Monthly deposit</li><li>▪ 01102 – Next banking day deposit</li><li>▪ 01104 – Quarterly Deposit</li></ul> <p><b>UI/ETT Payment</b></p> <ul style="list-style-type: none"><li>▪ 01300 – Quarterly payment</li></ul> <p><b>Self-Assessed Penalty/Interest (P &amp; I)</b></p> <ul style="list-style-type: none"><li>▪ 20000 – Self-assessed P&amp;I payment</li></ul>
<b>Tax Date</b>	<ul style="list-style-type: none"><li>▪ <b>Semi-weekly, monthly, or next banking day deposits (SDI/PIT)</b> - indicate payroll date as MMDDYY.</li><li>▪ <b>Quarterly SDI/PIT deposits and quarterly UI/ETT payments</b> - indicate quarter-end date as MMDDYY.</li><li>▪ <b>Penalty &amp; Interest payments</b> - indicate your <b>original</b> payroll date/quarter-end date as payroll date for the late payment being paid, <u>not</u> the current payroll date/quarter-end date.</li></ul>



## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

### BEFORE YOU CALL (Continued)

Amounts for...	<ul style="list-style-type: none"><li>▪ SDI, PIT, and the total of both tax types</li><li>▪ UI, ETT, and the total of both tax types</li><li>▪ Penalty, interest, and the total of both amounts</li></ul> <p>Enter tax amounts based on the tax type code that you entered. The tax amount entered must equal the total of the two taxes (or P&amp;I) you are paying. <b>Credit amounts are not accepted.</b></p>
Warehouse Debit Date	<p>A payment may be warehoused up to 60 days by entering a future debit date. The warehouse date is the date your bank account is debited and the date the payment settles into the state's account.</p> <p><b>NOTE:</b> Verify the timely settlement date for your payment before entering a warehouse date since this date determines the timeliness of your payment.</p>
Verification Code	<p>This code is a mathematical calculation to help ensure the accuracy of remittance amounts. For a transaction to be completed, your code must equal the system-generated code calculated by the data collector. <b>The verification code does not identify transposed numbers.</b></p> <p><i>Example:</i> Assume a tax payment of <b>\$75,150.55:</b></p> <ul style="list-style-type: none"><li>▪ Total all digits in the tax payment: <b>7 + 5 + 1 + 5 + 0 + 5 + 5 = 28</b></li><li>▪ Count the number of digits in your tax payment: <b>7,5,1,5,0,5,5 = 7</b></li><li>▪ Add the two totals above. In this example, the verification code is: <b>35 (28 + 7).</b></li></ul>

## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

### POINTS TO REMEMBER FOR ALL ACH DEBIT TRANSACTIONS

- Each tax type code is a separate transaction.
- Do not add dollar signs or decimals.
- If no tax amount is due for a fund, enter 0 (zero).
- You cannot make a zero dollar deposit.
- Change the temporary security code to a new code of your choice, prior to reporting your first payment.

### TELEPHONE REPORTING OPTION

#### To make a payment using the Telephone Option:

- Call **1-800-554-7500**.
- Follow the prompts to enter and verify your payment information.

#### Points to remember for telephone reporting:

- Press the pound sign (#) after each entry.
- Data is repeated by the system after each entry. Press (#) if correct; press (\*) if incorrect.
- Press the star (\*) key three times any time during the recording to transfer to an operator.
- If three errors are made during a transaction, you are automatically referred to an operator by the system.

### TELEPHONE SCRIPT

The telephone script below is provided for reference:

1. "Welcome to the California EFT System. If you are calling from a touch-tone phone, please press 1 now. If you have a rotary phone, please hold the line for operator assistance."
2. "To expedite your call, please press the pound sign (#) after each entry and after the system repeats your entry. If your entry or what you hear is not correct, press the star key (\*) and the system will re-prompt that field. At any time during the recording, you may press the star key (\*) three times to transfer to an operator."
3. "For BOE, press 1. **For EDD, press 2.** For FTB, press 3. For CDI, press 4. For PERS, press 5. For SCO, press 6. And for CalSTRS, press 7."
4. "To report a tax payment, press 1.  
To perform a cancellation or inquiry, press 2.  
To change a security code, press 3."

*Continued*

## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

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### TELEPHONE SCRIPT (Continued)

5. "Enter your 8-digit EDD Employer Account Number."
6. "Enter your Security Code."
7. "Enter your Tax Type Code."  
– Refer to page VI-1 for a list of tax type codes.
8. "Enter your Payroll Date/Quarter-End Date."  
– The prompt will ask for the date based on the tax type code entered.

If you entered tax type codes 01100, 01101, 01102, or 20000 in step 7, enter the payroll date.

If you entered tax type codes 01104 or 01300 in step 7, enter the quarter-end date. Valid dates are 0331YY, 0630YY, 0930YY, and 1231YY.

9. "Enter your (disability insurance/unemployment insurance/penalty) amount." The prompt will ask for the amount based on the tax type code entered.
10. "Enter your (personal income tax/employment training tax/interest) amount." The prompt will ask for the amount based on the tax type code entered.
11. "Enter your total payment amount."
12. "Enter your verification code."

NOTE: Step 13 is optional. If you are not warehousing your payment, press#.

13. "Enter the date you would like your bank account debited." Use MMDDYY format.
14. "Tax report accepted. Your reference number is \_\_\_\_\_. Please record this number for your records."
15. "To disconnect, press 1. To continue with additional functions, press 2." *If additional payments/tax type codes need to be entered, press 2 to return to the beginning of the script*

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## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

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### PERSONAL COMPUTER (PC)

Upon request, the state's data collector will provide a software package to ACH debit filers as another method for initiating an EFT payment. The software is a simple communication package with import and export functions. It does not provide a database or retain prior payment information.

### ORDER SOFTWARE

To order the software, call govONE Solutions at **(800) 662-6311**. govONE solutions provides detailed information necessary to install and use the software on your system and provides technical assistance at the above number Monday through Friday 8:30 a.m. to 8:00 p.m., Eastern time.

### SOFTWARE REQUIREMENTS

The minimum requirements to run the software are:

- Pentium class PC.
- Windows 95/98/ME, NT and XP 2000.
- Analog modem is required. Non-modem Internet connections, such as DSL, do not provide the export function needed to send data to the data collector.
- Windows Operating System Dial-Up Networking.
- Minimum of 32 MB RAM. 64 MB of RAM is recommended with recent versions of Windows.
- Data storage requires a minimum of 16 MB of additional Hard Disk space. For users transmitting large batches, at least 24 MB of Hard Disk space is recommended.

## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

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### POINTS TO REMEMBER – PC REPORTING OPTION

Points for using the PC software program to make payments:

- To enter a New Payment, select **PAYMENTS, NEW**.
- To work with multiple payments, create an Import File in Notepad. The format for both Import and Export files is found in **HELP, LAYOUTS**. Payment information can be imported from your own software by utilizing an Import File.
- **PAYMENTS, PENDING** allows you to view the payments entered before transmitting.
- There is no limit to the number of payments that can be transmitted at one time.
- Completed payments are housed in an easy-to-access **PAYMENTS, ACCEPTED** file.
- Payments with errors are highlighted in red on the **PAYMENT, PENDING** screen, with easy-to-understand error codes.
- Accepted and Pending Payments can be sorted by state, tax type, due date, or any of the several other fields applicable to you.
- Print Payment Reports by choosing: “All,” “Pending,” or “Accepted” from **FILE, PRINT**.
- Select **EXPORT** to send completed payments into a Notepad or Excel file for easy record keeping.
- The on-screen **Help Menu** assists with any questions you may have.

## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

### INTERNET REPORTING OPTION

The Internet reporting option uses a Web site provided by EDD's data collector, govONE Solutions. It offers an easy-to-use ACH Debit method of making tax payments using a PC with Internet connection. The Web site address is [www.payments-govonesolutions.com/caedd](http://www.payments-govonesolutions.com/caedd).

**Currently registered EDD ACH Debit customers** may use this payment option with the same permanent security code used for accessing the other debit payment options (telephone and PC with modem)—no additional registration is needed. However...

- Current EDD ACH Credit filers who want to use the Internet reporting option must file a new DE 26 to provide bank information.
- Current EDD Telefile Program filers who want to use the Internet reporting option should call the EFT Unit at **(916) 654-9130** to obtain a new temporary password and instructions for computing the verification code. No new registration is needed as long as the bank information is the same.

**Additional features** below are available to all EDD ACH Debit filers, even if payments are filed by telephone or by PC with modem. Access the data collector's Web site and log on with the EDD Employer Account Number and permanent security code. Select the appropriate button:

- **"Payment Inquiry"** button for viewing prior payments. It displays payment history for 600 days or 100 transactions, whichever comes first.
- **"FAQ"** button for the most frequently asked questions about the Internet payment process.

### MINIMUM REQUIREMENTS

- Personal computer with Internet connection.
- Either Explorer 5.0 or Netscape 6.1 (or higher).
- A screen resolution of 1024 x 768 is recommended.

### SECURITY

In addition to providing secure access with the use of a personal security code, the system utilizes the most advanced security connections for transmitting private information over the Internet. See *Section III, Payment Reporting Methods*, for complete instructions for changing the temporary security code to a permanent security code of your choice.

### SYSTEM AVAILABILITY

The system is available for making payments 7 days a week, 22 hours a day. There is a nightly maintenance period of two hours in which the system is not available. **To avoid late penalties, initiate your payment early enough to ensure a timely settlement date.**

## VI. ACH DEBIT INSTRUCTIONS (CONTINUED)

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### MAKE A PAYMENT (INTERNET)

- Be sure you are registered as an ACH Debit customer with EDD. See *Section IV, EFT Registration* for complete registration instructions.
- Before making the first payment, change the temporary security code **by telephone** to a permanent security code of your choice. See *Section III, Payment Reporting Methods, Security Code*, for complete instructions for changing the security code.
- Access Web site [www.payments-govonesolutions.com/caedd](http://www.payments-govonesolutions.com/caedd).
- Log on using your **EDD Employer Account Number** and **four-digit permanent security code**.
- There are four easy onscreen steps to make your payment. Each step provides onscreen instructions and fields for data entry:
  1. Select Payment Option.
  2. Enter Payment Information.
  3. Confirm Payment Information.
  4. Receive Payment Acknowledgement.
- Have all information ready as described in *Before You Call* at the front of this section.
- Enter information, edit (if necessary) and submit the payment.
- Print the "Payment Acknowledgement" screen for your records.
- To make additional payments, select "New Payment" button and repeat the process.
- Select the "Log Off" button when finished.

### CANCEL AN INTERNET PAYMENT

To **cancel** a payment, call **(800) 554-7500**.

## VI. ACH CREDIT INSTRUCTIONS

Your financial institution can tell you if any special equipment is required to report a payment.

ACH credit transactions must be transmitted in the NACHA approved Cash Concentration or Disbursement Plus Tax Payment Addenda (CCD+/TXP) format which are explained on the following pages. Each format has technical information needed by your financial institution and the state to process your ACH credit payment. **If you choose the ACH credit method, please give your financial institution a copy of pages VII-3 through VII-7.**

### BEFORE INITIATING YOUR PAYMENT

Please refer to page VII-5 for the TXP Addenda Convention record format, which represents the layout of the information your financial institution will transmit with your tax payment. Prepare applicable information as listed below before initiating your ACH credit transaction through your bank.

<b>Employer Account Number</b>	Your eight-digit EDD account number.
<b>Tax Type Code</b>	<b>SDI/PIT Deposits:</b> <ul style="list-style-type: none"><li>▪ 01100 – Semi-weekly deposit</li><li>▪ 01101 – Monthly deposit</li><li>▪ 01102 – Next banking day deposit</li><li>▪ 01104 – Quarterly Deposit</li></ul> <b>UI/ETT Payment</b> <ul style="list-style-type: none"><li>▪ 01300 – Quarterly payment</li></ul> <b>Self-Assessed Penalty/Interest (P &amp; I)</b> <ul style="list-style-type: none"><li>▪ 20000 – Self-assessed P&amp;I payment</li></ul>
<b>Tax Date</b>	<ul style="list-style-type: none"><li>▪ <b>Semi-weekly, monthly, or next banking day deposits (SDI/PIT)</b> - indicate payroll date as YYMMDD.</li><li>▪ <b>Quarterly SDI/PIT deposits and quarterly UI/ETT payments</b> - indicate quarter-end date as YYMMDD.</li><li>▪ <b>Penalty &amp; Interest payments</b> - indicate your <b>original</b> payroll date/quarter-end date as payroll date for the late payment being paid, <u>not</u> the current payroll date/quarter-end date. Use YYMMDD format.</li></ul>

*Continued*



## VII. ACH CREDIT INSTRUCTIONS (CONTINUED)

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### BEFORE INITIATING YOUR PAYMENT (Continued)

#### Amounts for...

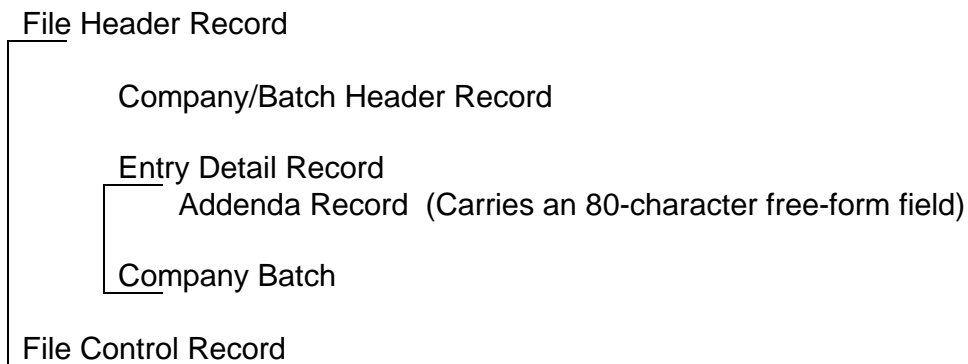
- SDI, PIT, and the total of both tax types
- UI, ETT, and the total of both tax types
- Penalty, interest, and the total of both amounts

Enter tax amounts based on the tax type code that you entered. The tax amount entered must equal the total of the two taxes (or P&I) you are paying. **Credit amounts are not accepted.**

### INFORMATION FOR YOUR FINANCIAL INSTITUTION

#### NACHA RECORD FORMATS FOR CCD+ ENTRIES

National Automated Clearing House Association record formats for CCD+ entries flow in the following order:



For more specific information on NACHA formats, specifications, and definitions, you may refer to the NACHA rule book. You may obtain a copy of the NACHA rule book from your financial institution or Western Payment Alliance at (415) 433-1230.

## VII. ACH CREDIT INSTRUCTIONS (CONTINUED)

### CCD+ TRANSACTION ENTRY DETAIL RECORD

FIELD	DATA ELEMENT NAME	CONTENTS	LENGTH	POSITION
1	Record Type Code	"6"	1	01-01
2	Transaction Code	Numeric	2	02-03
3	* Receiving DFI Identification	"12200049"	8	04-11
4	Check digit	"6"	1	12-12
5	** DFI Account Number	Alphanumeric	17	13-29
6	Amount	\$\$\$\$\$\$\$cc	10	30-39
7	*** Taxpayer ID #	Numeric	15	40-54
8	Individual Name	Your Business Name	22	55-76
9	Discretionary Data	Alphanumeric	2	77-78
10	Addenda Record Indicator	Numeric	1	79-79
11	Trace Number Indicator	Numeric	15	80-94

\* Fields 3 and 4 contain the routing transit number for EDD's bank. The EDD's bank name and address is: Union Bank of California, P.O. Box 85929, San Diego CA 92186-5929.

\*\* This field contains EDD's bank account number. This number will be provided after you submit your DE 26, EFT Authorization Agreement when selecting the ACH Credit payment method.

\*\*\* This field contains your EDD eight-digit employer account number.

## VII. ACH CREDIT INSTRUCTIONS (CONTINUED)

### TXP ADDENDA CONVENTION

FIELD	FIELD NAME	LENGTH	CONTENTS
	Segment Identifier		TXP
	Separator		*
1	Taxpayer ID#	8	XXXXXXXX
	Separator		*
2	* Tax Type Code	5	XXXXX
	Separator		*
3	Date	6	YYMMDD
	Separator		*
4	Amount Type	1	T
	Separator		*
5	Amount	1-10	\$\$\$\$\$\$\$\$cc
	Separator		*
6	Amount Type	1	T
	Separator		*
7	Amount	1-10	\$\$\$\$\$\$\$\$cc
	Separator		*
8	Amount Type	1	T
	Separator		*
9	Amount	1-10	\$\$\$\$\$\$\$\$cc
	Separator		*
10	Taxpayer Verification #	1-6	XXXXXX
	Terminator		\

**\* For State Disability Insurance and Personal Income Tax Withholdings**

01100 - Semi-Weekly Deposit  
 01101 - Monthly Deposit  
 01102 - Next Banking Day Deposit  
 01104 - Quarterly SDI/PIT Deposit

**Unemployment Insurance and Employment Training Tax**

01300 - Quarterly UI/ETT Payment

**Self-Assessed Penalty and Interest**

20000 - Penalty and Interest Payment

## VII. ACH CREDIT INSTRUCTIONS (CONTINUED)

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### DESCRIPTION OF THE TXP RECORD FIELDS

<u>Field #</u>	<u>Description</u>
1	This field contains the taxpayer's EDD employer account number. <b>Do not add hyphens or spaces between numbers.</b>
2	<p>This field contains the code for the type of payment being made. Use one of the following codes:</p> <p><b>01100</b>-for semi-weekly SDI/PIT deposits</p> <p><b>01101</b>-for monthly SDI/PIT deposits</p> <p><b>01102</b>-for next banking day SDI/PIT deposits</p> <p><b>01104</b>-for quarterly SDI/PIT deposits</p> <p><b>01300</b>-for quarterly UI/ETT payments</p> <p><b>20000</b>-for self-assessed penalty and interest payments</p>
3	<p>This field contains the tax date for which the taxpayer is remitting.</p> <p>For semi-weekly, monthly, next banking day, and self-assessed penalty and interest payments, enter the <b>payroll date</b> in YYMMDD format.</p> <p>For quarterly SDI/PIT deposits and quarterly UI/ETT payments, use the <b>quarter-end date</b>. Valid dates are March 31, June 30, September 30, and December 31 in YYMMDD format.</p>
4	This field contains the amount type "T" for the first amount.
5	<p>This field contains the first dollar amount being remitted. Do not add dollar signs or decimals. If no tax amount is due, enter 0.</p> <p>For tax type codes 01100, 01101, 01102, or 01104, enter your <b>state disability insurance</b> amount.</p> <p>For tax type code 01300, enter your <b>unemployment insurance</b> amount.</p> <p>For tax type code 20000, enter your <b>penalty</b> amount.</p>

*Continued*

## VII. ACH CREDIT INSTRUCTIONS (CONTINUED)

### DESCRIPTION OF THE TXP RECORD FIELDS (continued)

<u>Field #</u>	<u>Description</u>
6	This field contains the amount type "T" for the second amount.
7	<p>This field contains the second dollar amount being remitted. Do not add dollar signs or decimals. If no tax amount is due, enter 0.</p> <p>For tax type codes 01100, 01101, 01102, or 01104, enter your <b>personal income tax</b> amount.</p> <p>For tax type code 01300, enter your <b>employment training tax</b> amount.</p> <p>For tax type code 20000, enter your <b>interest</b> amount.</p>
8	This field contains the amount type "T" for the total amount.
9	This field contains the <b>total dollar</b> amount of the remittance. Do not add dollar signs or decimals.
10	This field is reserved for EDD's use; leave blank or zero fill.

*Below is an **example** of a record transmitted for an EDD tax payment:*

705TXP\*11111111\*01100\*001231\*T\*0000459204\*T\*0000960185\*T\*0001419389\*000000\

## VIII. GLOSSARY OF TERMS AND ACRONYMS

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ACH	Automated Clearing House (ACH) means any Federal Reserve Bank or other entity that operates as a clearing house for electronic debit or credit entries pursuant to an agreement with an association which is a member of the National ACH Association.
ACH Credit	ACH credit is a method by which monies are transferred electronically through the ACH network. ACH credit means an ACH transaction in which taxpayers, through their own bank, originate transactions debiting their own bank account and crediting the state's bank account for the amount of the tax payments.
ACH Debit	ACH debit is a method by which monies are transferred electronically through the ACH network. ACH debit means an ACH transaction in which the state, through its depository bank, originates an ACH transaction debiting the designated taxpayer's bank account and crediting the state's bank account for the amount of the tax payment.
Business Day	A business day is any banking day except those that the Internal Revenue Service observes as a holiday (see page V-5 for the list of observed holidays).
CCD+	Cash Concentration or Disbursement Plus Addenda (CCD+) is a standard addenda entry for ACH credit or debit transactions.
Data Collector	The data collector is responsible for the collection of the taxpayer's payment information for ACH debit transactions.
EFT	Electronic Funds Transfer (EFT) is a generic term used to describe any ACH or wire transfer.
Fedwire	Fedwire is a wire transfer system provided by the Federal Reserve System that has same-day finality and primarily carries large-dollar amounts instantaneously.
Initiation Date	The date an EFT filer instructs a financial institution or the state's data collector to process a transfer of funds.
NACHA	The National Automated Clearing House Association (NACHA) is the association that establishes the standards, rules, and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

## VIII. GLOSSARY OF TERMS AND ACRONYMS (CONTINUED)

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Reference Number	A number provided by the data collector to callers using the ACH debit method. The number is given after a caller has provided the information needed to report a payment and can be used to aid the data collector in tracing a payment.
Settlement Date	The date and exchange of funds with respect to an entry is reflected on the books of the Federal Reserve Bank(s).
TXP	The Tax Payment (TXP) Banking Convention Record Format is used with the NACHA CCD+ application. It contains the DE 88 information needed to process your payment.
WAREHOUSING	The electronic storage of debit or credit transactions by an ACH operator or financial institution. Payment information may be reported up to 60 days before the payment settlement date.



## IX. FORM DE 26 AND INSTRUCTIONS



### ELECTRONIC FUNDS TRANSFER AUTHORIZATION AGREEMENT

See reverse for instruction

Department Use Only
Location <input type="text"/>
Registration Date <input type="text"/>

#### SECTION I

A. Business Name	B. Employer Account Number
C. Business address (Number, Street, Box Number, City, State, Zip code)	D. Business Phone ( )
E. EFT Contact Person Title	Phone Number ( )
E-Mail Address	Fax Number ( )

#### SECTION II

##### ☐ ACH Debit

**IMPORTANT: Attach a voided check or bank specification sheet**

A. Bank Name	
B. Bank Account Number	C. Routing Transit Number
D. <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
E. For bank account changes only, complete the following and Fax to (916) 654-7441: <input type="checkbox"/> Settlement date of your last payment _____ <input type="checkbox"/> Due Date of your next Payment _____ <input type="checkbox"/> Will your old and new bank accounts be open with funds until completion of this bank change? Yes _____ No _____	

#### SECTION III

##### ☐ ACH Credit

**You are authorizing your financial institution to transfer funds from your bank account to the Employment Development Department's bank account.**

#### SECTION IV Authorization

Please read the following Authorization Agreement:		
<b>ACH Debit</b> — I hereby authorize designated Financial Agents of the EDD to initiate debit entries to the financial institution account indicated above, for payments owed to the EDD upon request by taxpayer or his/her representative, using the ACH debit method.		
<b>ACH Credit</b> — I hereby authorize the EFT contact person and the financial institutions involved in the processing of my Electronic Funds Transfer payments to receive confidential information necessary to effect my enrollment in the EFT program and to answer inquiries related to my payments.		
A. Taxpayer Signature	B. Title	C. Date

Return to Attention: EFT Unit, MIC 15 / Employment Development Department / P.O. Box 826880 / Sacramento CA 94280-0001  
Phone: (916) 654-9130 / Fax: (916) 654-7441

## IX. FORM DE 26 AND INSTRUCTIONS

### INSTRUCTIONS

**Marking Instructions:**

- Use black or blue ink only.
- Please type or print legibly.

### SECTION I

#### **General Information (All information must be completed)**

- A. **Business Name** – Enter the business name as registered with EDD.
- B. **Employer Account Number** – Enter the eight-digit state employer account number assigned by the State EDD.
- C. **Business Mailing Address** – Enter the mailing address where EDD correspondence and forms should be sent.
- D. **Business Phone** – Enter daytime business phone number.
- E. **EFT Contact Person** – Enter name, title, phone number, E-MAIL address and FAX number of person authorized to provide EDD staff information that relates to EFT payment or inquiry.

### SECTION II

**Complete only if you are registering for the ACH Debit method or changing the bank account number that is use for debiting.**

**Important:** You must attach a voided check or bank specification sheet from the account to be debited. Your check is used for verification of the correct bank account and routing transit numbers.

- A. **Bank Name** – Enter the designated bank name.
- B. **Bank Account number** – Enter the bank account number. (not to exceed 17 digits)
- C. **Routing Transit Number** – Enter the nine-digit routing transit number.
- D. **Checking or Savings** – Indicate checking or savings account. Check only one box.
- E. **Bank Change Only** – This information will help ease the registration transition from the old to the new bank account and will decrease the time needed for the processing of your bank account change.

### SECTION III

**Complete only if you are registering for the ACH Credit method.**

### SECTION IV

**AUTHORIZATION – This section must be completed.**

- A. **Signature** – The taxpayer must sign this section to authorize participation in the EFT program.
- B. **Title** – Enter the title of the person who signed the form.
- C. **Date** – Enter the date signed.

**Please do not initiate your payment(s) until you receive a confirmation letter from EDD. If you need to make payment(s) immediately, please call (916) 654-9130 for assistance.**